



6951 33/28/06 \$10,000.00 ✓

OFFICE OF
INSURANCE COMMISSIONER

In the Matter of

No. D06-140

KANAWHA INSURANCE
COMPANY,

CONSENT ORDER
IMPOSING A FINE

An Authorized Insurer.

Findings of Fact:

1. Kanawha Insurance Company ("Kanawha") is authorized to conduct insurance business in Washington State. It issues life and disability insurance.
2. Kanawha unsuccessfully attempted timely filings of its 2004 Annual Statement on February 25, 2005 and February 28, 2005. Kanawha also attempted to get assistance from the Office of the Insurance Commissioner on February 28, 2005.
3. Kanawha successfully filed its 2004 Annual Statement on September 6, 2005.

Conclusions of Law:

1. The failure of Kanawha to timely file its 2004 annual statement by February 28, 2005 constitutes a violation of RCW 48.05.250.
2. RCW 48.05.185 authorizes the Commissioner to impose a fine in lieu of or in addition to the suspension or revocation of an insurer's certificate of authority.

Consent to Order:

Kanawha consents to the following, in order to resolve this matter without further legal or administrative proceedings. The Insurance Commissioner consents to resolve this matter, in consideration of the insurer's payment of a fine, as set forth below.

1. Kanawha consents to entry of the foregoing Findings of Fact and Conclusions of Law, and acknowledges its duty to comply with all applicable laws and regulations of Washington State. It waives further legal or administrative challenge to the actions

taken, or to be taken, by the Insurance Commissioner relating to the subject matter of this order.

2. Within thirty days of the entry of this Order, Kanawha will pay to the Insurance Commissioner a fine in the amount of \$10,000 (ten thousand dollars).
3. If Kanawha fails to pay the fine in full within thirty days of the entry of this order, this will constitute grounds for the suspension or revocation of the certificate of authority held by Kanawha in Washington State. It will also result in a civil action being brought by the Attorney General on behalf of the Insurance Commissioner, to recover the fine.

Executed this 28th day of March, 2006

KANAWHA INSURANCE COMPANY

By: R. Dale Vaughan

PRINTED NAME: R. Dale VAUGHAN
PRINTED CORPORATE TITLE: President & Chief Operating Officer

Order:

Pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner orders as follows:

1. Kanawha Insurance Company is ordered to pay, within thirty days of the entry of this Order, a fine in the amount of \$10,000 (ten thousand dollars).
2. Failure to timely pay the fine in full will constitute grounds for the suspension or revocation of the certificate of authority held by the insurer in Washington State.
3. It will also result in a civil action being brought by the Attorney General, on behalf of the Insurance Commissioner, to recover the fine.

Executed this 31st day of March, 2006

MIKE KREIDLER
Insurance Commissioner

By: Marcia G. Stickler
Marcia G. Stickler
Legal Affairs Division